Saskatchewan Workers Compensation Board

Annual Report 2002

Saskatchewan Workers' Compensation Board Superannuation Plan

TABLE OF CONTENTS

Letters of Transmittal 2

Introduction 4

Operation of the Plan 4

Benefit Payments 5

Contributions to the Plan 5

Investment Performance 6

Administration 6

Table 1 8

- Employees Retired at Age 65
- Employees Retired With 35 Years Service
- Employees Retired at Age 60 with 20 Years Service
- Employees Deferred Pensions Now Payable

Table 2 8

- Allowances Granted to Spouses of Deceased Superannuates
- Allowances Granted to Spouses of Deceased Employees

Management's Report 9

Actuaries' Opinion 10

Financial Statements

- Auditors' Report 12
- Statement of Net Assets Available for Benefits, Accrued Pension Benefits and Surplus 13
- Statement of Changes in Net Assets Available for Benefits 14
- Statement of Changes in Accrued Pension Benefits 15
- Notes to the Financial Statements 16
- Exhibit 1 Statement of Investments 22
- Exhibit 2 Statement of Investment Dispositions 25
- Exhibit 3 Statement of Investment Purchases 28

WCB Saskatchewan Workers Compensation Board

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the Annual Report of the Workers' Compensation Board Superannuation Plan for the year ending December 31, 2002

I have the honour to be, Madam,

Your obedient servant,

Debra Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan

WCB Saskatchewan Workers Compensation Board

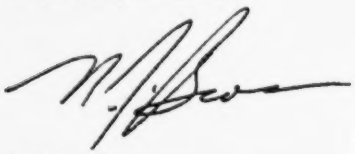
The Honourable Debra Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan
Regina, Saskatchewan

Madam:

Letter of Transmittal

I have the honour to submit the Annual Report of the Workers' Compensation Board Superannuation Plan for the period January 1, 2002 to December 31, 2002, in accordance with Section 55, R.S.S. 1978 of The Workers' Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

Respectfully submitted,



N. J. Brown
Chairman
The Workers' Compensation Board Superannuation Plan

Workers' Compensation Superannuation Board

Introduction

The primary purpose of the Board is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The plan also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent to retirement.

The Board, which consists of three members, is responsible for the administration of *The Workers' Compensation Board Superannuation Act*.

Operation of the Plan

This plan is Defined Benefit pension plan, which provide a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

Any deficiencies in the Plan are paid out of the revenues of the Workers' Compensation Board and are a charge thereon.

The following table below shows the number of active and retired employees in the plan as of the current and prior year-ends

	December 31, 2002	December 31, 2001
Active Employees	45	51
Inactive Members	2	2
Retired Employees *	56	51
Totals	**103**	**104**

*Includes Superannuates, plus their dependents that are now in receipt of a survivor pension.

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The attached tables show all the individuals who retired during the year, split into various categories as to type of retirement.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the plan during the year totaled $138,534. This compares to $147,654 as of the previous fiscal year end.

Retirement Summary

	December 31, 2002	December 31, 2001
Attained Age 65	-	-
Attained Age 60 – no reduction	1	-
Attained 35 years of Service	3	-
Age 55 and 30 years service – reduced pension	-	-
Ill Health Pensions	-	-
Deferred Allowances now Payable	1	-
Early Retirement Allowances	-	-
Totals	**5**	**-**

Death Benefit Summary

	December 31, 2002	December 31, 2001
Employee Survivor Pension	1	-
Superannuate Survivor Pension	-	1
Totals	**1**	**1**

Termination of Employment Summary

	December 31, 2002	December 31, 2001
Deferred Pension	-	-
Cash Refund	-	-
Reciprocal Transfer	1	-
Totals	**1**	**-**

Detailed listings of all transactions are included at the end of this report.

Investment Performance

The Workers' Compensation Superannuation Board is responsible for holding in trust and investing the monies in the Plan. The Board has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long term investment performances set out by the Board, as set out in their Investment Policy Statement for the Fund. It is against these long-term investment performance objectives that the Board assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed. Below you will find the portfolio:

Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite CPMS CAP 10 Index	25%
US	S&P 500 US Stock Index	12.5%
Non-North American	MSCI EAFE Index	12.5%
Fixed Income Bonds	SCM universe Bond Index	45%
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		**100%**

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of December 31, 2002 has been:

	1-Year Return	Rolling 4 Year Average
Fund's Return	(3.8)%	4.3%
Benchmark Return	(4.4)%	3.0%

Administration

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Workers' Compensation Superannuation Plan is carried out in conjunction with similar plans administered by PEBA.

Statements will be issued to the members effective March 31, 2003 based on a new reporting format and feedback from the plan membership will also be sought, so that PEBA can be more receptive to the needs of the employees who are covered under this Plan.

Changes to administrative processes will continue to be evaluated and where necessary changed, all with the intent of improving customer service and become more responsive to the needs of the Board and the membership.

During the upcoming fiscal year, the plan is considering amendments in the following areas:

- spousal benefits after retirement

As these amendments are implemented, PEBA will make the necessary adjustments to their processes and procedures and advise the Plan membership and employers as to the impact of the change(s).

Workers' Compensation
Superannuation Board

Norm Brown	Chairman
Don Kennedy	Member
Kenneth J. Chernick	Member

Esther Greig's term on the Board expired December 31, 2002. The Board extends their appreciation for her services. Effective January 1, 2003 Kenneth J. Chernick has been appointed to a two year term on the Board. Norm Brown and Don Kennedy were reappointed for a further two year term.

The Board extends its appreciation to the diligent staff of the Public Employees Benefits Agency responsible for the day-to-day administration and accounting requirements of the Workers' Compensation Board Superannuation Plan and to the employees of the Workers' Compensation Board for their co-operation and assistance during the year.

TABLE 1 Allowances Granted to Employees

Employees Retired Having Attained Age of Retirement - Age 65

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
NONE						

Employees Retired at Any Age With 35 Years Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
BRETI, Elizabeth	Ex. Secretary	3,759.50	57	36/238	28,800.36	February 1, 2002
RICKARD, Shirley	Clearance Clerk	4,003.68	55	35/28	33,776.04	June 1, 2002
TONNELLIER, Doreen	Dicta-Typist 3	3,289.00	56	37/39	26,734.80	February 1, 2002

Employees Retired at Age 60 With 20 Years Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
KOZACK, Constantine	Mgr, Int. Audit	5,542.42	60	32/263	39,750.84	August 24, 2002

Employees Elected Deferred Pension-Now Payable

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
SMITH, Howard	Dir. Mgmt Info. Systems	5,222.00	60	24/135	28,267.68	Dec. 1, 2002

TABLE 2 Allowances Granted to Spouses

Allowances Granted to Spouses of Deceased Superannuates

Name	Date of Death	Age at Death	Annual Allowance At Death	Annual Allowance Payable to Spouse	Effective Date
ERB, Edna (s)	June 7, 2002	90	3,308.04	No Beneficiary	

Allowances Granted to Spouses of Deceased Employees

Name	Date of Death	Age at Death	Monthly Salary At Death	Annual Allowance Payable to Spouse	Effective Date
SAMOLUK, Kenneth Spouse: Terry Brown	Oct. 2, 2001	48	2,907.12	3,049.44	October 3, 2001

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements, which follow, have been prepared by management in conformity with accounting principles generally accepted in Canada. Management uses internal controls and exercises its best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been examined by Deloitte & Touche LLP Chartered Accountants, whose report follows.

Brian Smith
Executive Director
Public Employees Benefits Agency

A. Mackrill

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Regina, Saskatchewan
February 26, 2003

ACTUARIES' OPINION

Mercer Human Resource Consulting was retained by the Workers' Compensation Board (the Board) to perform actuarial valuations of the assets and liabilities of the Workers' Compensation Board Superannuation Plan (the Plan) on an accounting basis as at December 31, 2002, for inclusion in the Annual Report with respect to the Workers' Compensation Board Superannuation Plan for the year ended December 31, 2002.

The valuation of the Plan's actuarial assets and liabilities were based on:

- Membership and asset data provided by the Board as at December 31, 2002;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Mercer Human Resource Consulting and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation. We also believe that the methods employed in the valuation and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuation has been performed in accordance with accepted actuarial practice.

Phil Rivard, FIA, FCIA
Mercer Human Resource Consulting

February 26, 2003

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2002

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan
Province of Saskatchewan

We have audited the statement of net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2002 and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2002 and the changes in net assets available and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

Regina, Canada
February 26, 2003

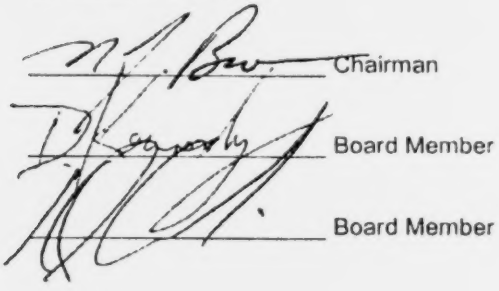
WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 1
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND SURPLUS

DECEMBER 31, 2002 with comparative figures for 2001

	2002	2001
ASSETS		
Investments		
Short-term investments	$ 1,847,826	$ 1,749,053
Bonds and debentures	12,881,189	13,856,956
Equities	7,176,985	7,965,139
Pooled funds	6,403,173	7,276,914
	28,309,173	30,848,062
Receivables		
Employees' contributions	4,626	10,973
Accrued investment income	141,351	192,896
Other	123	127
	146,100	203,996
Due from General Revenue Fund (Note 4)	15,178	9,771
Cash	4,879	21,661
Total assets	28,475,330	31,083,490
LIABILITIES		
Administration expenses payable	9,827	14,871
Other payables	-	8,534
Total liabilities	9,827	23,405
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	28,465,503	31,060,085
Actuarial accrued pension benefits (Statement 3)	24,262,000	22,489,000
Surplus	$ 4,203,503	$ 8,571,085

(See accompanying notes to the financial statements)

On behalf of the Board:



Chairman

Board Member

Board Member

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2002 with comparative figures for 2001

	2002	2001
INCREASE IN ASSETS		
Investment income		
Interest	$ 773,837	$ 896,436
Dividends – equities	126,358	133,622
Dividends – pooled funds	90,453	91,654
Other	891	1,653
	991,539	1,123,365
Contributions		
Employee	138,534	147,654
Total increase in assets	1,130,073	1,271,019
DECREASE IN ASSETS		
Administration expenses (Note 9)	103,220	97,051
Superannuation allowances	1,001,385	903,716
Current year change in market values of investments	2,133,610	917,107
Refunds and transfers		
Contributions	104,876	-
Interest	138,344	-
Matching on reciprocal transfer	243,220	-
Total decrease in assets	3,724,655	1,917,874
Decrease in net assets available for benefits	(2,594,582)	(646,855)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	31,060,085	31,706,940
NET ASSETS AVAILABLE FOR BENEFITS, end of year (Statement 1)	$28,465,503	$31,060,085

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

STATEMENT 3

FOR THE YEAR ENDED DECEMBER 31, 2002 with comparative figures for 2001

	2002 (Note 6)	2001 (Note 6)
ACCRUED PENSION BENEFITS, beginning of year	$22,489,000	$21,411,000
INCREASE IN ACCRUED PENSION BENEFITS		
Interest accrued on benefits	1,474,000	1,451,000
Benefits accrued	418,000	434,000
Change in assumptions	1,369,000	97,000
	3,261,000	1,982,000
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	1,488,000	904,000
ACCRUED PENSION BENEFITS, end of year (Statement 1)	$24,262,000	$22,489,000

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2002

1. Description of the Plan

a) General

The Workers' Compensation Board Superannuation Plan (the Plan) was established under *The Workers' Compensation Board Superannuation Act*. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Administration

The Workers' Compensation Superannuation Board administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Superannuation Plan

The Plan was established to accumulate contributions paid by employees and the employer, as well as any investment income.

Pensions and refunds of contributions together with interest are paid out of the Plan.

d) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of the commencement with the Plan.

The contributions required to be paid by the employer are calculated by applying a predetermined rate to the members' contributions.

e) Retirement

Normal retirement is at age 65. Members who retire may receive benefit payments earlier under the following conditions:

- at any age after 35 years of service,
- at age 60 with at least 20 years of service,
- at age 60 with between 15 years and 20 years of service with a reduced pension,
- at age 55 with at least 30 years of service with a reduced pension.

f) Pension

The lifetime annual pension payable to a member is 1.3% of the average salary received by the member during the five years of highest salary, multiplied by the total number of years of service. The maximum number of years of service is 35 years.

In addition, members who retire prior to age 65 are entitled to receive a bridge to age 65 equal to 0.7% of the member's average salary up to the average pensionable earnings prescribed by the Canada Pension Plan in the last 5 years before retirement, multiplied by the number of years of service of the member since January 1, 1966 to a maximum of 35 years.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

Investments

i) Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices.

ii) Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

iii) Short-term investments are recorded at market value.

Current Year Change in Market Value of Investments

i) The change in market value reflects the current year's realized and unrealized gains and losses on investments.

Investment Transactions and Income

i) Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Interest income is recorded as earned.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or Standard and Poor's Ratings Service.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 2.6% to 2.9% (2001 - 2.0% to 2.3%) and an average remaining term to maturity of 71 (2001 - 90) days. The Plan's investment policy states that investments must meet a minimum investment standard of "R-1" rating, as rated by a recognized credit rating service. Other than Government of Canada no single issuer represents more than 16.6% of the market value (2001 - 20.0%) of the short-term investment portfolio.

Bonds

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the bond portfolio may be invested in BBB rated bonds. As at December 31, 2002, the Plan held 4.3% (2001 - 4.8%) of its portfolio in BBB bonds.

2002

Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$4,281,065	$ 753,506	$1,539,982	$ 6,574,553	2.9-7.8%	3.5-9.0%
5 – 10	557,461	1,365,728	1,013,712	2,936,901	5.1-7.4%	5.2-7.4%
Over 10	2,043,738	919,263	406,734	3,369,735	5.1-6.8%	5.3-7.2%
Market Value	$6,882,264	$3,038,497	$2,960,428	$12,881,189		

2001

Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$3,050,138	$1,384,267	$1,469,168	$ 5,903,573	4.2-7.7%	4.8-8.8%
5 – 10	1,689,685	1,026,500	1,129,841	3,846,026	4.6-7.9%	4.5-9.0%
Over 10	2,490,418	915,229	701,710	4,107,357	5.3-7.9%	5.3-11.3%
Market Value	$7,230,241	$3,325,996	$3,300,719	$13,856,956		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

Equities have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on an annual basis. The average effective dividend rate is 1.67% (2001 – 1.41%).

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 30% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan owns units in pooled equity funds which have no fixed interest rate and whose return is based on the success of the fund manager. The Plan's pooled funds are managed by Greystone Managed Investments Inc. and are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2002	2001	2002	2001	2002	2001	2002	2001
	(000's)				(000's)		(000's)	
Greystone Non-North American Fund	-	297	-	3.84	-	2,820	$ (7)	$ (801)
Greystone EAFE Plus Fund	411	-	.33	-	3,285	-	(702)	-
Greystone US Equity Fund	327	343	8.00	7.26	3,118	4,457	(1,090)	(216)
					$6,403	$7,277	$(1,799)	$ (1,017)

4. Due from General Revenue Fund

The Plan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate and the Plan's average daily bank account balance. The Government's average thirty day borrowing rate in 2002 was 2.43% (2001 – 4.26%).

5. Employer Contributions

The Workers' Compensation Board declared a holiday on employer contributions as the Plan has an actuarial surplus.

6. Obligations for Pension Benefits

The accrued benefit obligation is determined using the projected benefit method pro-rated on service and management's best estimate assumptions approved by the Workers' Compensation Superannuation Board of expected plan investment performance, salary escalation and retirement ages of employees. The most recent actuarial valuation was made as at December 31, 2002 by William M. Mercer Limited. Previous to this William M. Mercer Limited completed an actuarial valuation as at December 31, 1999 and extrapolated it to December 31, 2001.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2002	2001
Discount rate	6.25%	6.65%
Expected long-term rate of return on plan assets	6.25%	7.25%
Salary escalation rate	4.00%-6.50%	3.75%-5.25%
Inflation rate	3.00%	3.00%

The accrued benefit obligation at December 31, 2002 is $24,262,000 (2001 - $22,489,000). It is based on a number of assumptions about future events including: discount rate, expected long-term rate of return on plan assets, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

The accrued benefit obligation contains a provision for ad hoc increases as they are subject to approval by Order-in-Council. The ad hoc assumption is 50% of CPI based on previous year's

experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions she considers advisable.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 3.00%, salary 4.00%-6.50%, discount rate 6.25% and post retirement indexing 1.5%.

	Long Term Assumptions							
	Inflation*		Salary		Discount Rate		Post Retirement Indexing	
	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 0.5%	- 0.5%
(Decrease) increase in liability	(5.4%)	6.0%	3.5%	(3.2%)	(11.2%)	15.6%	2.9%	(2.8%)

* A change in the inflation rate of 1% has a corresponding change in the discount rate of 1%, in the salary scale of 1% and in the post retirement indexing of 0.5%.

If there are insufficient moneys in the Plan to pay pension benefits, the Workers' Compensation Board is obligated to pay any such deficiency to the Plan.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common influence by the Government of Saskatchewan.

Certain administration expenses are paid by the Plan to the Public Employees Benefits Agency Revolving Fund based upon agreed exchange amounts.

8. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2002	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	(3.8)%	4.3%
Target rate of return (b)	(4.4)%	3.0%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 capped 10% Index, Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

9. Administration Expenses

	2002		2001
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$38,848	$41,564	$33,187
Custodian fees - Royal Trust		19,494	21,028
Investment management fees - Greystone		42,162	42,836
	$38,848	$103,220	$97,051

10. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practical (Note 6).

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (Note 2).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

a) employees' contributions receivable
b) other receivables
c) due from General Revenue Fund
d) accounts payable

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN **EXHIBIT 1**
STATEMENT OF INVESTMENTS

DECEMBER 31, 2002

Security	Par Value	Market Value
Government of Canada	$6,604,000	$6,882,264
Ontrea Inc	56,000	58,779
Province of British Columbia	401,000	421,346
Province of Manitoba	340,000	344,036
Province of New Brunswick	214,000	229,503
Province of Newfoundland	101,000	109,728
Province of Nova Scotia	264,000	285,296
Province of Ontario	512,000	555,701
Province of Quebec	514,000	549,273
Quebec Finance Corporation	129,000	138,195
Province of Saskatchewan	334,000	346,639
Alliance Pipeline LP	52,905	56,592
Associates Capital Corp of Canada	47,000	49,521
Bank of Nova Scotia	53,000	55,427
BCE Incorporated	47,000	50,175
Borealis Infrastructure Trust	73,000	76,472
Canada Trustco Mortgage Co.	151,000	157,638
Canadian Tire Receivables Trust	48,000	48,948
Canadian Tire Corp	52,000	53,225
Citibank Canada	64,000	68,378
Column Canada Issuer Corporation	47,000	48,186
Falcon Trust Comm Mortgage	46,000	46,557
GE Capital Canada Funding Company	199,000	203,827
Genesis Trust	162,000	173,336
Gloucester Credit Card Trust	151,000	159,274
Great West Life Capital Trust	61,000	61,940
Greater Toronto Airports Authority	169,000	177,510
Hollis Receivables Term Trust	141,000	148,342
Investors Group Inc	74,000	79,156
Loblaw Companies Limited	33,000	35,144
Manulife Financial Capital Trust	68,000	72,318
Merrill Lynch Canada Finance Company	62,000	63,285
Merrill Lynch Financial Assets	136,000	143,408
Merrill Lynch Mtge Loans Inc	56,000	61,135
Nav Canada	94,000	102,429
Nova Gas Transmission Corp	53,000	55,546
RBC Capital Trust	67,000	74,443
Royal Bank of Canada	74,000	81,198
Scotiabank Capital Trust	57,000	60,231
Sun Life Assurance Company Canada	73,000	75,548
Swift Trust	98,000	98,000
Toronto Dominion Bank	68,000	73,946

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENTS (continued)

DECEMBER 31, 2002

Security	Par Value	Market Value
Wells Fargo Financial Canada Corporation	$ 48,000	$ 50,280
407 ETR International	179,000	199,014
	$12,272,905	$12,881,189
AGF Management Limited		145,855
ATI Technologies Inc.		79,825
Bank of Montreal		298,500
Bank of Nova Scotia		578,207
Barrick Gold Corp		187,495
Cameco Corp		203,142
Canadian National Railway		345,278
Canadian Natural Resources Ltd		207,324
CGI Group Inc		63,974
Cott Corporation		82,062
Decoma International Inc.		27,966
Domtar Inc		241,623
Encana Corporation		265,363
Finning International Inc		227,395
Forzani Group Limited		59,102
Greystone EAFE Plus Fund		3,284,824
Greystone United States Equity Fund		3,118,349
Ipsco Inc		94,465
Loblaw Companies Ltd		219,926
Magna International Inc		349,638
Manulife Financial Corp		266,866
Masonite International Corporation		175,692
Meridian Gold Inc.		86,549
Molson Inc		186,517
Open Text Corporation		65,700
Patheon Inc		1,620
Penn West Petroleums Ltd		182,860
Petro-Canada		257,267
Power Corp of Canada		321,120
Power Financial Corp		243,210
Quebecor World Inc		179,550
Royal Bank of Canada		562,881
Royal Group Technologies Limited		67,228
Saputo Inc.		73,556
Shoppers Drug Mart Corporation		181,522
SNC-Lavalin Group Inc		149,480
Talisman Energy Inc		157,475
Transalta Corp		75,797
TransCanada Pipelines Ltd		264,955
		13,580,158
	$12,272,905	$26,461,347

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENTS (continued)

DECEMBER 31, 2002

Summary	Par Value	Market Value
Government of Canada & Guarantees	$ 6,604,000	$ 6,882,264
Provincials and Guarantees	2,865,000	3,038,497
Corporate Securities	2,803,905	2,960,428
	$12,272,905	$12,881,189
Canadian Equities		7,176,985
Pooled Funds		6,403,173
Total Long Term Investments	$12,272,905	$26,461,347
Short Term Investments	1,868,000	1,847,826
	$14,140,905	$28,309,173

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT DISPOSITIONS

EXHIBIT 2

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Proceeds
Government of Canada	September 1, 2003	5.25%	$ 2,865,014
Government of Canada	June 1, 2004	3.50%	7,207,058
Government of Canada	September 1, 2004	5.00%	1,154,027
Government of Canada	September 1, 2006	5.75%	4,097,984
Government of Canada	September 1, 2007	4.50%	831,082
Government of Canada	June 1, 2008	6.00%	413,818
Government of Canada	June 1, 2011	6.00%	1,490,528
Government of Canada	June 1, 2012	5.25%	9,827,958
Government of Canada	June 1, 2013	5.25%	697,416
Government of Canada	June 1, 2015	11.25%	206,226
Government of Canada	June 1, 2025	9.00%	450,672
Government of Canada	June 1, 2029	5.75%	1,073,270
Government of Canada	December 1, 2031	4.00%	292,912
Government of Canada	June 1, 2033	5.75%	4,895,890
Canada Mortgage & Housing Corporation	December 3, 2007	5.30%	91,420
Export Development Corporation	June 22, 2010	6.20%	123,408
Ontrea Inc.	October 31, 2011	5.70%	114,785
Province of British Columbia	June 12, 2007	Floating	120,976
Province of British Columbia	June 18, 2029	5.70%	58,834
Province of Manitoba	January 25, 2011	5.85%	205,214
Province of New Brunswick	April 19, 2005	8.75%	72,836
Province of New Brunswick	December 27, 2017	6.00%	125,775
Province of Nova Scotia	February 12, 2007	Floating	120,849
Province of Ontario	June 2, 2004	4.875%	148,470
Province of Ontario	January 24, 2005	Floating	275,737
Province of Ontario	March 8, 2005	6.25%	144,537
Province of Ontario	January 19, 2006	7.50%	123,525
Province of Ontario	February 1, 2006	Floating	74,925
Province of Ontario	July 24, 2006	7.75%	185,455
Province of Ontario	November 19, 2009	6.20%	164,547
Province of Ontario	December 2, 2011	6.10%	116,216
Province of Ontario	December 2, 2012	5.375%	80,136
Province of Ontario	March 8, 2029	6.50%	146,219
Province of Quebec	December 1, 2005	6.50%	178,871
Province of Quebec	October 1, 2007	6.50%	92,809
Province of Saskatchewan	December 1, 2006	4.75%	82,608
Province of Saskatchewan	June 2, 2008	5.50%	47,080
Alberta Energy Co Ltd	June 27, 2005	8.38%	61,405
Alliance Pipeline LP	June 30, 2023	7.181%	1,838
Associates Capital Corp of Canada	August 17, 2006	5.75%	96,103
Associates Capital Corp of Canada	September 17, 2007	5.03%	27,020
BCE Inc	October 30, 2007	6.75%	30,589
Bell Canada Enterprises	May 1, 2003	6.00%	42,708
BNS Capital Trust	December 31, 2010	7.31%	83,260
Canada Life Capital Trust	June 30, 2012	6.68%	32,914
Citibank Canada	July 28, 2003	6.40%	146,341

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT DISPOSITIONS (continued)

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Proceeds
Citibank Canada	July 23, 2004	5.80%	$ 39,334
Citibank Canada	July 28, 2005	6.55%	37,185
Coca Cola Ent(Cda) Bottling Finance Ltd.	July 24, 2003	6.70%	49,457
Enbridge Inc	April 12, 2006	5.45%	103,157
Epcor Utilities Inc	March 22, 2016	6.75%	45,036
Falcon Trust Comm Mortgage	January 15, 2011	5.15%	55
Ford Motor Credit Corp Cda	March 8, 2004	6.00%	77,067
Genesis Trust	November 15, 2003	6.428%	83,369
GMAC Canada Ltd	March 28, 2005	5.85%	55,613
Greater Toronto Airports Authority	December 3, 2007	5.95%	91,833
Greater Toronto Airports Authority	July 19, 2010	6.70%	66,362
Greater Toronto Airports Authority	July 30, 2029	6.45%	55,462
Loblaw Companies Ltd	January 19, 2011	6.50%	33,846
Manulife Financial Capital Trust	June 30, 2012	6.70%	34,471
Merrill Lynch Financial Assets	November 12, 2033	5.66%	1,936
Nova Gas Tranmission Corporation	January 31, 2008	6.00%	53,854
Royal Bank of Canada	June 1, 2012	6.75%	58,142
Royal Bank of Canada	January 25, 2015	7.10%	84,795
Shaw Communications Inc	October 17, 2007	7.40%	50,130
Sun Life Assurance Company Canada	June 30, 2022	6.15%	16,981
TD Capital Trust Securities	December 31, 2009	7.60%	101,912
TD Capital Trust Securities	December 31, 2049	6.792%	47,848
Telus Corporation	June 1, 2006	7.50%	66,230
Toronto Dominion Bank	July 31, 2012	6.55%	33,115
Transalta Corp	January 16, 2006	6.05%	67,179
Bank of Montreal	Canadian Equity	-	130,366
Bank of Nova Scotia	Canadian Equity	-	109,644
Barrick Gold Corp	Canadian Equity	-	66,732
Bombardier Inc	Canadian Equity	-	107,691
CAE Inc	Canadian Equity	-	91,748
Cameco Corp	Canadian Equity	-	96,824
Canadian National Railway	Canadian Equity	-	76,854
Canadian Natural Resources Ltd	Canadian Equity	-	57,730
Celestica Inc	Canadian Equity	-	188,080
Enerflex Systems Limited	Canadian Equity	-	7,864
Ipsco Inc	Canadian Equity	-	58,007
Loblaw Companies Ltd	Canadian Equity	-	88,182
Magna International Inc	Canadian Equity	-	41,134
Masonite International Group	Canadian Equity	-	42,615
Methanex Corporation	Canadian Equity	-	146,854
Micrologix Biotech Inc	Canadian Equity	-	7,939
Nortel Networks Corporation	Canadian Equity	-	77,176
Open Text Corporation	Canadian Equity	-	51,997
Penn West Petroleum Ltd	Canadian Equity	-	56,358
Petro Canada	Canadian Equity	-	73,731
Power Financial Corp	Canadian Equity	-	77,771
Royal Bank of Canada	Canadian Equity	-	123,586

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT DISPOSITIONS (continued)

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Proceeds
Talisman Energy Inc	Canadian Equity	-	$ 31,467
Teknion Corporation	Canadian Equity	-	26,791
Toronto Dominion Bank	Canadian Equity	-	441,062
Transalta Corp	Canadian Equity	-	36,409
Greystone Non-North American Fund	Pooled Fund	-	3,238,282
Greystone U.S Equity Fund	Pooled Fund	-	389,000
			$46,217,528

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT PURCHASES

EXHIBIT 3

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Par Value	Cost
Government of Canada	September 1, 2003	5.25%	$ 412,000	$ 422,080
Government of Canada	June 1, 2004	3.50%	7,008,000	8,998,958
Government of Canada	September 1, 2004	5.00%	1,125,000	1,162,677
Government of Canada	September 1, 2006	5.75%	5,115,000	5,386,560
Government of Canada	September 1, 2007	4.50%	1,112,000	1,125,902
Government of Canada	June 1, 2008	6.00%	50,000	53,995
Government of Canada	June 1, 2011	6.00%	507,000	528,210
Government of Canada	June 1, 2012	5.25%	9,915,000	9,858,754
Government of Canada	June 1, 2013	5.25%	1,158,000	1,162,477
Government of Canada	June 1, 2029	5.75%	127,000	128,413
Government of Canada	December 1, 2031	4.00%	242,000	296,348
Government of Canada	June 1, 2033	5.75%	5,842,000	5,933,198
Canada Mortgage & Housing Corporation	December 3, 2007	5.30%	90,000	89,897
Ontrea Inc	October 31, 2011	5.70%	78,000	78,487
Province of British Columbia	June 12, 2007	Floating	201,000	200,984
Province of British Columbia	January 9, 2012	5.75%	46,000	46,957
Province of British Columbia	June 18, 2031	6.35%	61,000	64,203
Province of Manitoba	December 3, 2012	5.25%	259,000	257,825
Province of New Brunswick	December 6, 2012	5.875%	61,000	62,670
Province of Nova Scotia	February 12, 2007	Floating	121,000	120,879
Province of Ontario	January 24, 2005	Floating	155,000	154,938
Province of Ontario	March 8, 2005	6.250%	138,000	145,921
Province of Ontario	January 19, 2006	7.50%	112,000	123,849
Province of Ontario	February 1, 2006	Floating	155,000	154,946
Province of Ontario	December 2, 2011	6.10%	193,000	199,222
Province of Ontario	December 2, 2012	5.375%	80,000	79,789
Province of Ontario	June 2, 2031	6.20%	122,000	125,805
Province of Quebec	December 1, 2010	6.25%	61,000	64,559
Province of Quebec	October 1, 2012	6.00%	170,000	168,521
Province of Quebec	June 1, 2032	6.25%	91,000	92,375
Province of Saskatchewan	December 3, 2012	5.25%	89,000	88,743
Quebec Finance Corporation	December 1, 2008	5.75%	45,000	47,498
Associates Capital Corp of Canada	August 17, 2006	5.75%	42,000	42,868
Associates Capital Corp of Canada	September 17, 2007	5.03%	27,000	26,990
BCE Inc	October 30, 2007	6.75%	77,000	76,868
Canada Life Capital Trust	June 30, 2012	6.68%	33,000	33,000
Canadian Tire Receivables Trust	December 20, 2007	4.82%	48,000	48,000
Canadian Tire Corporation	June 9, 2008	5.70%	15,000	14,975
Column Canada Issuer Corporation	May 12, 2034	5.943%	47,000	47,000
Falcon Trust Comm Mortgage	January 15, 2011	5.15%	46,000	45,998
GE Capital Canada Funding Company	January 5, 2005	3.086%	75,000	75,000
GE Capital Canada Funding Company	July 24, 2007	5.30%	124,000	124,307
Genisis Trust	February 15, 2005	6.869%	90,000	97,066

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT PURCHASES (continued)

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Par Value	Cost
Gloucester Credit Card Trust	March 15, 2006	5.693%	$ 12,000	$ 12,574
Gloucester Credit Card Trust	June 15, 2007	5.383%	64,000	64,000
Great West Life Capital Trust	December 31, 2012	5.995%	61,000	61,000
Greater Toronto Airports Authority	January 30, 2012	6.25%	65,000	64,966
Greater Toronto Airports Authority	June 4, 2031	7.10%	42,000	42,942
Hollis Receivables Term Trust	April 26, 2006	5.672%	56,000	58,691
Manulife Financial Capital Trust	June 30, 2012	6.70%	51,000	52,094
Merrill Lynch Cda Finance Company	November 19, 2007	5.35%	62,000	61,955
Merrill Lynch Financial Assets	November 12, 2033	5.66%	13,000	12,895
Scotiabank Capital Trust	June 30, 2049	6.626%	57,000	57,000
Sun Life Assurance Company Canada	June 30, 2022	6.150%	90,000	89,853
Swift Trust	December 7, 2008	7.400%	98,000	98,000
TD Capital Trust Securities	December 31, 2049	6.792%	46,000	46,000
Transalta Corp	January 16, 2006	6.05%	21,000	21,214
Wells Fargo Financial Canada Corporation	June 15, 2007	5.50%	48,000	47,893
407 ETR International	February 16, 2004	6.40%	15,000	15,378
407 ETR International	August 15, 2007	9.00%	27,000	30,809
AGF Management Limited	Canadian Equity	-		24,420
ATI Technologies Inc	Canadian Equity	-		152,232
Bank of Montreal	Canadian Equity	-		28,902
Bank of Nova Scotia	Canadian Equity	-		37,945
Barrick Gold Corp	Canadian Equity	-		37,988
Bombardier Inc	Canadian Equity	-		24,019
CAE Inc	Canadian Equity	-		9,788
Cameco Corp	Canadian Equity	-		13,195
Canadian National Railway	Canadian Equity	-		42,453
Canadian Natural Resources Ltd	Canadian Equity	-		46,233
CGI Group Inc	Canadian Equity	-		5,809
Cott Corporation	Canadian Equity	-		74,243
Decoma International Inc	Canadian Equity	-		29,131
Domtar Inc	Canadian Equity	-		30,587
Encana Corporation	Canadian Equity	-		246,754
Finning International Inc	Canadian Equity	-		26,403
Forzani Group Limited	Canadian Equity	-		52,409
Ipsco Inc	Canadian Equity	-		11,979
Loblaw Companies Limited	Canadian Equity	-		25,634
Magna International Inc	Canadian Equity	-		41,622
Manulife Financial Corporation	Canadian Equity	-		92,093
Masonite International Corporation	Canadian Equity	-		21,040
Meridian Gold Inc	Canadian Equity	-		77,045
Molson Inc	Canadian Equity	-		182,550
Open Text Corp	Canadian Equity	-		29,950
Patheon Inc	Canadian Equity	-		1,599
Penn West Petroleums Ltd	Canadian Equity	-		40,866
Petro-Canada	Canadian Equity	-		58,752

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF INVESTMENT PURCHASES (continued)

YEAR ENDED DECEMBER 31, 2002

Security	Maturity Date	Interest Rate	Par Value	Cost
Power Corp of Canada	Canadian Equity	-	$	$ 27,249
Power Financial Corp	Canadian Equity	-		20,408
Quebecor World Inc	Canadian Equity	-		23,984
Royal Bank of Canada	Canadian Equity	-		51,497
Royal Group Technologies Limited	Canadian Equity	-		120,501
Saputo Inc	Canadian Equity	-		87,156
Shoppers Drug Mart Corporation	Canadian Equity	-		171,006
SNC-Lavalin Group Inc	Canadian Equity	-		81,256
Talisman Energy Inc	Canadian Equity	-		38,711
Toronto Dominion Bank	Canadian Equity	-		42,799
Transalta Corp	Canadian Equity	-		16,870
TransCanada Pipelines Ltd	Canadian Equity	-		28,688
Greystone EAFE Plus Fund	Pooled Fund	-		4,038,132
Greystone Non-North American Equity Fund	Pooled Fund	-		425,000
Greystone United States Equity Fund	Pooled Fund	-		179,603
			$36,393,000	$45,713,477